

**Rockville Housing Enterprises  
Board of Commissioners Meeting Minutes  
Monday, February 26, 2024, Board Meeting  
The Board of Commissioners for Rockville Housing Enterprises Annual Meeting on  
Monday, February 26, 2024, at 6:30 p.m.**

**MEETING TO BE HELD VIA ZOOM/ TELECONFERENCE**

**To Join via Zoom Video Conference:**

**<https://zoom.us/join> Meeting ID: 92765065009 Passcode: 226657**

**To Join via Zoom Telephone Conference:**

**Dial In: 301-715-8592 Meeting ID: 927 6506 5009 Passcode: 226657**

**Present**

Chairman – James Hedrick, PhD  
Vice Chair – Stacy Kaplowitz  
Commissioner- Edward J. Duffy

**In Attendance**

Christele Etienbla, RHE Staff Interim Executive Director  
Tosha Dyson, RHE Staff Manager of Special Programs  
Wynston Smith, RHE Project Manager  
Rebecca Niaba – Voucher Program Manager  
Kurt Turnier- Youth Build Program Manager  
Rika Granger – Director for the Department of Housing Committee Development for the  
City of Rockville  
Jane Lyons-Raeder – Housing Programs Manager for the City of Rockville  
Kapres Meadows- Board Member Candidate  
Chico Horton – Tiber Hudson  
Patrick Harper- Hampstead- Parkside Landing Consultant  
Hyunsuk Choi-CDC-Scarborough Square Consultant

**6:35 PM Call to Order**

Chairman James Hedrick, Ph.D., called the February 26, 2024, meeting of the Rockville Housing Board of Commissioners Meeting to Order.

**6:37 PM Consent items**

Chairman James Hedrick, Ph.D. discussed the previous month meeting minutes to approve, which included January 24, 2023. Commissioner Edward J. Duffy moved this motion. Vice Chair Stacy Kaplowitz seconded this motion. All present voted, aye, in favor of this motion.

### **6:40 PM Citizen Forum**

Chairman James Hedrick, PhD called for the next item on the agenda, Executive Director's Report:

Rockville Housing Enterprises  
**Executive Director's Report**  
**As of February 20, 2023**

### **Activities during the months of January 2024**

#### **Meetings/Activities**

- Monthly Property Management meetings for Parkside Landing were conducted.
- Weekly discussions focused on the submission of the Low-Income Housing Tax Credit application for Scarborough Square.
- Fireside REAC Inspection conducted on January 4, 2024.
- David Scull REAC Inspection scheduled for January 23, 2024.
- DCA conducted a site visit at Scarborough Square on January 29, 2024.
- Continuation of activities of the David Scull Radon Grant, including radon testing and a meeting with the grant officer.
- The County held back at closing in escrow \$770,019 for any tax liability of the REIT and RHE received \$213,000 in January 2024.

### **Financial Management (See Tab 3)**

#### **Housing Choice Voucher (HCV) Program (404 Regular Vouchers ;) FYB 10-1-2023**

The Net Restricted Assets (HAP) for the month of January 2024 is negative (\$56,434). Year to date the HAP is a negative (\$95,155).

The Un-Restricted Net Assets (Administrative Expenses) for the month ending January 2024 is a positive \$0. Year to date is a positive \$106,938.87.

**Mainstream Vouchers (50 Mainstream) FYB 10-1-2023**

The Net Restricted Assets (HAP) for the month of January 2024 is a positive \$1,188. Year to date is a positive \$1981.

The Unrestricted Net Assets (Administrative Expenses) for the month ending January 2024 is a positive \$4,934.19. Year to date is a positive \$19,534.65.

**Mod Rehab Program (5 Mod Vouchers) FYB 10-1-2023**

The Program cash flow for the month of January 2024 is a positive \$4,350. Year to date is a positive \$6,419.

**Public Housing Program (PH) (79 PH Units) FYB 10-1-2023**

The Net Income on the PH Cash Flow Report for the month of January 2024 indicates a positive \$43,836.75. Year to date is a positive \$132,346.76.

**RHE Properties Scattered (29 – Scattered Units) FYB 01-1-2024.**

The Cash Flow Statement for the month ending January 2024 indicates a negative (\$18,755) due to operating expenses transfers. Year to date is a negative (\$18,755).

**RELP – (56 Low Income Housing Tax Credit Units) FYB 01-1-2024**

The net income for RELP One for the month of January 2024 is positive \$12,384.32. Year to date net income is a positive \$12,384.32.

**RHE Properties (4 – Affordable Units) FYB 01-1-2024**

The Cash Flow Statement for the month ending January 2024 indicates a positive \$3,138.23. Year to date is a positive \$3,138.23.

**RHE Corporation (the General Partnership entity for RELP One) FYB 01-1-2024**

There was no activity for this entity during the month of January 2024. Year to date net income is \$0.

**RHE Development Account (bank account that receives and holds non-federal funds) FYB-10-1-2024.**

The Cash Flow Statement for the month ending January 2024 indicates a negative (\$637,857.53) due to Parkside Landing liquidity transfer to PNC bank account, and

Scarborough square operating expenses. Year to date net income is negative (\$241,531.37).

**RHE PARKSIDE LANDING FYB 01-2024**

The Cash Flow Statement for the month ending January 2024 indicates a positive \$225,535.07. Year to date net income is a positive \$225,535.07.

**RHE Scarborough Square FYB-01-1-2024**

The Cash Flow Statement for the month ending January 2024 indicates a positive \$7,231.16. Year to date net income is a positive \$7,231.16.

**Asset Management January 2024 (See TAB 4 and TAB 6 of Board Report)**

- PH Occupancy (David Scull) was as follows (76 units):
  - 94.7% for the month ending January – (4 vacancies)
  - Rent Collection Percentage 113%
- RHEP PBV Scattered Sites Occupancy (Scattered Sites) was as follows (29 units):
  - 100% for the month ending January - (0 vacancy)
  - Rent Collection Percentage 100%
- RELP One Occupancy was as follows (56 units):
  - 96.43% for the month ending January – (2 vacancies)
  - Rent Collection Percentage 93%
- RHEP Occupancy was as follows: (4 units):
  - 100% for the month ending January.
  - Rent Collection Percentage 148%
- RHE Scarborough Square Occupancy was as follows: (121 units):
  - 94.21% for the month ending January (7 vacancies)
  - Rent Collection Percentage 127%
- Fireside Occupancy was as follows:
  - Occupancy – 92% occupancy rate for the month ending January.

**Maintenance Activity Summary for January 2024**

**Work orders.**

- RHE maintenance staff completed **82** work orders in January.

## Work Order Period Activity

Completed Date From: 01/01/2024

Completed Date To: 01/31/2024

Period Date From: 01/01/2024

Period Date To: 01/31/2024

Approval Status:

Type: Work Order

Property	Opening Balance	Created	Closed	Closing Balance
David(david)	5.00	20.00	25.00	0.00
REL P LP (relp1)	2.00	4.00	6.00	0.00
RHE Scarborough Square (rhe-sq)	7.00	42.00	49.00	0.00
RHEP PBV SCATTERED SITE (rhep-sca)	0.00	2.00	2.00	0.00
<b>Total</b>	<b>14.00</b>	<b>68.00</b>	<b>82.00</b>	<b>0.00</b>

### Pest Control

- RHE maintenance staff accompanied pest control on **preventive and special request** pest control appointments for David Scull and Scarborough Square. RELP1, Scattered Site, and RHEP properties receive pest control services as needed.
  1. Scarborough Square is currently on a weekly pest control schedule; **123** units were scheduled for pest control service during January.
  2. David Scull is on a weekly pest control schedule; **76** units were scheduled for pest control service during January.

### HQS

- The maintenance department facilitated **18** HQS inspections with third-party landlords in January.

### Vacancy

- There were 2 move-ins and 1 move-outs in January. Vacant units are in the process of turnover.
  - David Scull: 1 move-ins: 0 Move outs
  - RELP: 0 Move out. 0 Move in
  - RHEP (Scattered and MPDU): none.
  - RHE Scarborough: 1 move in. 1 move outs.

**Housing Choice Voucher Program (HCVP) Management**

**January 2024**

- HCV Program voucher units leased for the month ending January 2024 was 84.38%, and calendar year to date in January 2024 was 84.38%. HCV Program budget utilization for the month ending January 2024 was 102.98% and calendar year to date in January 2024 was 102.98%.  
RHE purposely keeps some vouchers utilized for various reasons. There are vouchers purposely not leased so they can be reserved for purposes such as: unutilized project-based vouchers at Scarborough Square. RHE has also set aside vouchers for Foster Youth vouchers that only have a 3-year term. Once the 3 years are up RHE will issue the Foster Youth Voucher holders a regular RHE voucher. RHE is also required to issue PBV voucher holders a tenant-based voucher once they have lived in a PBV unit for at least 2 years. The units are purposely under leased to ensure RHE has enough vouchers to meet future voucher issuance obligations.
- The 50-unit Mainstream Disabled Voucher program for which funds are allocated dollar for dollar based on utilization is 100% leased for the month of January 2024.
- The 5-unit Moderate Rehabilitation Single Room Occupancy (SRO) program, for which funds are allocated dollar for dollar based on utilization, is 100% leased for the month of January 2024.
- The 10 VASH vouchers are 90% leased. Two additional VASH vouchers have been issued and the clients are searching for a unit.

	<b>Allocated</b>	<b>Utilized</b>
<b>Regular Voucher (TP, PBV, Port Out)</b>	359	306
<b>Additional Voucher</b>	6	1
<b>Vash</b>	10	9
<b>Scattered</b>	29	29

<b>Stability</b>	5	0
<b>Foster</b>	20	17
<b>Total</b>	<b>429</b>	<b>362</b>
<b>Mod Rehab</b>	<b>5</b>	<b>5</b>
<b>MS</b>	<b>50</b>	<b>50</b>

**Fostering Youth into Independence (FYI) Vouchers**

RHE has received thirty-four (34) referrals from Montgomery County Child Welfare.

- RHE has been awarded twenty (20) Fostering Youth into Independence Vouchers.
- RHE has issued twenty (20) vouchers to youth transitioning into housing.
- Seventeen (17) youth has leased.
- One (1) port out
- Two (2) are searching.
- Two (2) on waitlist
- Transitioning Youth Collaboration meeting
- Mentorship meeting with FYI participants
- Leveraging HUDs Foster to Youth Independence Program for Eligible Youth Experiencing or at risk of homeless meeting with HUD

**Parkside Landing**

**Reporting Period:** January 2024

- **Sprinkler & Water Damage – Units 705-101, 102 & 203:** Response & repairs completed 11/15/2023. Broken sprinkler head in the HVAC closet of 705-203 causing minimal water damage in 101 & 203, but significant water damage in apt. 102. Adcock could not identify the cause of the sprinkler head malfunction.

**Unit Inspection & Filter Changes**

- Completed. Overall, there were no major issues.

**Look-Ahead**

- RHE conducts monthly transition progress/coordination calls with WINN management.

- Ongoing coordination with the management team to maintain both economic/physical vacancy goals for stabilization and conversation.

### **RHE Scarborough Square**

#### **Reporting Period: January 2024**

- In January, the property successfully collected 100.0% of rent.
- The percentage of delinquent tenants with balance this month has decreased from 20.9% in December to 19.0% in January because staff are currently processing evictions. RHE team is working diligently to collect the rents on time.
- The dedicated efforts of the RHE team resulted in a positive trajectory for the property. Rental income saw an increase of \$18,069.13 in January 2024.
- RHE Scarborough Square Team is engaging with New Point Real Estate Capital to prepare an application for HUD/FHA Section 221(d)(4) program.
- The staff is currently working on the updated pro forma to share with the potential LIHTC investors for a best and final Letter of Intent (LOI) and will make a recommendation in April.

#### **Look-Ahead**

##### **February/March 2024**

- A. The Architect will submit Building Permit drawings to the Ownership and the Ownership will submit Building Permit application to City of Rockville
- B. To submit Combined Viability/Commitment Submission Package

##### **April/May 2024**

- A. To submit Application Submission Package to HUD for Firm Commitment

##### **June/July 2024**

- A. Issuance of Building Permit
- B. The Architect will issue the Construction Document Set

##### **November 2024**

- A. Estimated closing.

### **Family Self Sufficiency (FSS) /Resident Services Report-Period YTD: January 2024**



Christele Etienbla, Interim Executive Director of RHE Staff, explained that the new scoring system with NSPIRE posed challenges, particularly for Parkside Landing, which has only 4 units. Even minor issues in one unit can significantly impact the overall score. In comparison, David Scull has more units.

Commissioner Edward J. Duffy raised concerns about the lower occupancy rate at Parkside and sought clarification on the reasons behind it.

Patrick Harper explained that Parkside Landing faced tenant delinquency during the COVID-19 pandemic. Although recent collections have been strong, turnover is rising due to eviction processes. He also mentioned challenges with higher vacancy rates in market-rate units, highlighting the complexities of managing a mixed-rate site.

Commissioner Edward J. Duffy inquired about any marketing strategies to improve occupancy.

Patrick Harper emphasized the importance of holding management accountable and ensuring that targets are met.

Vice Chair Stacy Kaplowitz asked about the steps taken prior to eviction.

Patrick Harper mentioned efforts by the management team to negotiate payment plans with residents.

Christele Etienbla, RHE Staff Interim Executive Director, added that RHE endeavors to communicate with clients and send notices before resorting to legal action.

Vice Chair Stacy Kaplowitz sought clarification on the breakdown of LIHTC versus non-LIHTC units.

Hyunsuk Choi clarified that all units are 100% LIHTC; there are no market-rate units.

### **7:25 PM Actions and Discussion –**

#### **Write Off for Scarborough Square**

Christele Etienbla, RHE Staff Interim Executive Director proposed writing off delinquency balances, inherited from a previous owner, totaling \$186,219.09 from the Scarborough Square books.

Commissioner Edward J. Duffy inquired whether we would be writing off rent for existing tenants.

Christele Etienbla, RHE Staff Interim Executive Director, confirmed that while we would be writing off rent, we would not renew the lease.

Chairman James Hedrick entertained a motion to write off the \$186,219.09 balance. Vice Chair Stacy Kaplowitz moved this motion, which was seconded by Commissioner Edward J. Duffy. All those in favor voted aye.

### **Bond Issuing Capacity**

Christele Etienbla, RHE Staff Interim Executive Director, mentioned that RHE has engaged with Tiber Hudson to explore the housing authority's ability to issue bonds.

Chico Horton from Tiber Hudson commented that bonds are complex financial instruments. He clarified that RHE indeed has the authority to issue bonds under the laws of the State, County, and City of Rockville. This legal framework permits housing authorities to issue bonds. Once bonds are approved by the Mayor and Council, they can be issued.

Chairman James Hedrick acknowledged that the plan to issue bonds was discussed during the strategic planning initiative.

Vice Chair Stacy Kaplowitz expressed her approval of discussing this matter both presently and in the future.

Chico Horton from Tiber Hudson mentioned that the associated fee is not currently budgeted for but will be covered by the service.

Chairman James Hedrick emphasized that having this ability would enable the housing authority to be more proactive.

Chairman James Hedrick suggested tabling the discussion for the next strategic planning meeting. He then moved on to discuss the election of officers.

### **Election of Officers**

Chairman James Hedrick suggested opening the floor for nominations and confirmations for the positions of Chair and Vice Chair.

Commissioner Edward J. Duffy nominated Chairman James Hedrick to continue serving as Chair and Vice Chair Stacy Kaplowitz to serve as Vice Chair.

Chairman James Hedrick expressed his agreement with the nomination. He also noted that he would be stepping down in a few months but was willing to remain in the role until then.

Vice Chair Stacy Kaplowitz confirmed her acceptance of the nomination.

Chairman James Hedrick called for a motion for the new election. Commissioner Edward Duffy made the motion, which was seconded by Vice Chair Stacy Kaplowitz. All those present voted in favor.

#### **7:38 Commissioners comments**

#### **7:40 PM Adjourned**

Chairman James Hedrick, PhD made a motion to adjourn the meeting. Commissioner Edward J. Duffy moved this motion. Vice Chair Stacy Kaplowitz seconded this motion. All presented voted aye.